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August 2, 2004

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 44275 Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Cotton Valley Zone, Reservoir A, DRISCOLL FIELD, Bienville Parish, Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cotton Valley Zone, Reservoir A, in the Driscoll Field, Bienville Parish, Louisiana:

- 1. To redefine the Cotton Valley Zone, Reservoir A, in the Driscoll Field, INSOFAR AND ONLY INSOFAR as to the existing units designated CV RA SUA through CV RA SUH, said units being shown on the attached plat, as being that gas and condensate bearing zone encountered between the measured depths of 10,590 feet and 16,105 feet (10,583 feet and 16,054 feet TVD) in the J-W Operating Company-Davis Brothers 20 No. 1 Well, located in the Northeast Quarter (NE 1/4) of Section 20, Township 16 North, Range 4 West, Bienville Parish, Louisiana.
- 2. To confirm and continue in force and effect the units designated CV RA SUA through CV RA SUH, created by Office of Conservation Order No. 194-H, effective December 18, 1990, as drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir A, as redefined herein.
- 3. To permit Applicant to drill, designate and utilize three (3) alternate unit wells for CV RA SUE at the locations shown on the attached plat, or at any other locations within this unit that would be in compliance with the well location provisions of Office of Conservation Order No. 194-H, effective December 18, 1990.
- 4. To find that three (3) alternate unit wells for CV RA SUE are necessary to efficiently and economically drain portions of the Cotton Valley Zone, Reservoir A, underlying CV RA SUE which cannot be efficiently and economically drained by any existing well within the unit.
- 5. To permit the operator of CV RA SUE to produce the allowable assigned to this unit from either the unit well, any alternate unit well or from any combination of such wells, at the option of the operator.
- 6. Except to the extent contrary herewith, to continue in full force and effect the provisions of Office of Conservation Order No. 194-H, effective December 18, 1990, as amended and supplemented by the Order No. 194-H series of Orders.

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7. To discuss such other matters as may be pertinent.

The Cotton Valley Zone, Reservoir A, in the Driscoll Field, Bienville Parish, Louisiana, is currently defined in Office of Conservation Order No. 194-H, effective December 18, 1990, and in Office of Conservation Order No. 194-H-1, effective December 4, 2001.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person wishing to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated July 19, 2004, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set August 11, 2004, as the tentative date for the pre-application conference. No request for the conference was received; therefore, no pre-application conference was held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the unit plat (which is identical to the plat attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of the attached plat is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plat, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Driscoll Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering

the application fee.

David L. Smelley

Attorney for J-W Operating Company

DLS:dp Enclosures

cc: Mr. Jim Broussard (w/encls.)

Mr. John Mahan (w/encls.) Mr. Joe B. Adams (w/encls.)

Interested Owners, Represented Parties and Interested Parties (w/plat only)

